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# Direct Loans

William D. Ford Federal Direct Loan Program

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VOLUME II, NUMBER 2

NEWSLETTER

MARCH/APRIL 1996

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## YOUR CUSTOMER SERVICE SPECIALISTS

We want to encourage all Financial Aid Administrators, Fiscal Officers, Registrars, information systems staff and other school administrators to get to know their Direct Loan customer service specialists. Account managers, program operations and accounting personnel, school relations representatives, and EDEExpress and Title IV WAN (TIVWAN) customer support staff are all members of the Department's customer service staff. Our customer service specialists serve as your advocates by ensuring that you receive information and materials requested and by sharing and following up on your comments and concerns to expedite the delivery of services to you. They are also conveyors of information about what has been tried and what works for other institutions.

They may contact you occasionally just to make sure that things are okay, to inform you about upcoming events such as video conferences or regulatory and policy changes, or to relay other useful information that you may otherwise miss. Many of the Department's customer service specialists are located in our regional offices to help the Department maintain close working relationships with schools. Others are located in Washington, D.C.; Montgomery, Alabama; Iowa City, Iowa; and Utica, New York. You may contact them either by telephone, fax, electronic devices, or correspondence. (*See page 2 for telephone numbers*)

### *Account Managers*

Account managers are located in each of our regional offices to help coordinate operations and training activities and provide technical support and assistance to schools participating in the Direct Loan Program. Account managers --

- provide step-by-step assistance with reconciliation, drawdowns or exporting or importing data; and
- serve as liaison between schools and the contractors who support the Direct Loan software and the contractors that manage the loan origination system and the Direct Loan Servicing Center.

### *Program Operations and Accounting Teams*

The financial management functions are handled by the program operations and accounting teams, located in Washington, D.C. These teams manage Direct Loan drawdown accounts in EDPMS, record financial transactions, and prepare financial statements and reports for the Direct Loan Program. They also --

- help to resolve problems with Automated Clearing House (ACH) and FEDWIRE drawdown requests; and
- explain how to return excess cash and assist with Payment for Origination Services (POS).

### *School Relations Representatives*

School Relations Representatives are located at the contractor site that provides loan origination services to schools. They --

- assist with loan origination and consolidation, drawdowns, disbursements, reconciliations, annual systems testing, data transmission; and
- provide counseling and other Direct Loan materials.

(Continued on next page)



***EDEExpress and  
Title IV Wide Area Network (TIVWAN)***

EDEExpress and TIVWAN customer support staff serve as troubleshooters. They provide software support and technical assistance to schools that use Department-issued software. They also --

- assist with system requirements for EDEExpress, and the Integrated Application Menu (IAM) software (EDconnect, OPENet, Net\*connect); and
- provide on-site assistance and technical layout support, password assistance, user guides and references, and guidance to correct compression and decompression problems.

**Contact your Direct Loan customer service specialists at the following telephone numbers:**

***Regional Account Managers***

Region I	(617) 223-4963
Region II	(212) 264-8012
Region III	(215) 596-1716
Region IV	(404) 730-2012
Region V	(312) 886-6660
Region VI	(214) 767-9607
Region VII	(816) 880-4090
Region VIII	(303) 294-1393
Region IX	(415) 437-8843
Region X	(206) 220-4400

***Program Operations Team***

Lisa DiCarlo	(202) 708-9209
Isiah Dupree	(202) 205-3413
George Karayinias	(202) 708-9810
Marvin Somers	(202) 358-4866
Mark Wise	(202) 401-7553

***School Relations***

School Relations Representatives	(800) 848-0978
Consolidation	(800) 557-7392

***Computer Software Support***

EDEExpress Customer Support	(800) 330-5947
TIVWAN Customer Support	(800) 615-1189

***The Department will implement the following policy changes and procedures beginning with year three (1996-1997 academic school year) of the Direct Loan Program:***

(1) ***Name changes for origination levels.*** The origination levels under the Direct Loan Program have been renamed: level 1 is now option 2, level 2 is now option 1, alternative level is now standard origination.

(2) ***Schools may request a change in origination level.*** Beginning with the 1996-97 academic year, a school may request a change in its current origination level to a different origination level (with a lesser or greater level of responsibility). The criteria to qualify for a change in origination status follows.

- A school may request a change to an origination level of *lesser responsibility* at any time. For example, a level 1 (now option 2) school may request a change to option 1 or alternative (now standard) origination. Or a level 2 (now option 1) school may request a change to the standard origination level.
- A school may request a change to an origination level of *greater responsibility*. (For example an option 1 school may request a change to option 2) if the school--
  - ✓ has participated in the Direct Loan Program at the current level for at least one year, and
  - ✓ meets certain criteria and performance standards prescribed in 34 CFR 685.402 (a) and (b) and provides supporting documentation.

A school may request a change in origination status by submitting a written request to the Direct Loan Task Force by fax on (202) 401-3424, or mail at:

Direct Loan Task Force  
Office of Postsecondary Education  
Attn: Ellen Taylor  
600 Independence Avenue, SW  
Washington, D.C. 20202-5162



## CUTOVER FOR THE NEW DIRECT LOAN ORIGATION SYSTEM HAS BEEN POSTPONED

The January/February edition of the Direct Loans Newsletter included comprehensive information about the transfer of the loan origination system from our current location in Utica, New York, to our new location in Montgomery, Alabama. The initial cutover date was March 30. However, we are not satisfied that the 1996-97 system has been sufficiently tested to ensure an optimal level of services. We are, therefore, postponing cutover. We anticipate that the cutover will be no later than May 13. In the meantime, all origination and reconciliation transactions for 1995-96 will continue to be processed at the Direct Loan Servicing Center (DLSC) in Utica, New York.

Included in the Newsletter was a table that explained the schedule for "Loans in Progress" during the transition from the old system to the new. Please refer to the **revised table** below for the new schedule. A Dear Colleague letter explaining the impact of the new schedule was distributed to all schools on March 20, 1996. Should you have questions or need further assistance, please contact your regional Account Manager. (*See page 2 for telephone numbers*)

Work in Progress	Detailed Plan
<b>Loan Origination Records</b>	Loan origination records will be processed at the DLSC in Utica through April 25, 1996. The Loan Origination Center (LOC) in Montgomery will begin loan origination processing not later than May 13, 1996.
<b>Promissory Notes</b>	Promissory notes will be imaged and indexed at the DLSC through April 22, 1996. Any documents that were sent to the LOC prior to this date will be forwarded to the DLSC by overnight mail. Schools should transmit promissory notes to the LOC in Montgomery after April 22. The LOC will begin processing PNotes upon receipt and will complete processing not later than May 13, 1996. All promissory notes received after the cutoff by the DLSC will be transferred overnight to the LOC in Montgomery.
<b>Credit Checks</b>	The DLSC will initiate credit checks through April 22, 1996. Beginning, May 13, 1996, the LOC in Montgomery will take over the credit check process.
<b>PLUS Endorser Forms</b>	PLUS endorser forms that have not been processed by the DLSC by April 22, 1996, will be shipped overnight to the LOC in Montgomery where they will be processed.
<b>Drawdowns and Level 2 and 3 Disbursement Rosters</b>	There will be no interruption in the flow of Direct Loan funds during this period. Origination level 1 schools may continue to draw down. Levels 2 and 3 schools should contact the Direct Loan Task Force at (202) 708-9951.
<b>Excess Cash</b>	Excess Cash will be handled by the DLSC through April 25, 1996. Beginning April 26, 1996, the LOC will accept excess cash transmittals.
<b>Reconciliation Records</b>	The final processing of reconciliation records at the DLSC will be April 25, 1996. The LOC will start processing reconciliation records not later than May 13, 1996.
<b>Consolidation Loans</b>	The DLSC will continue to process regular consolidations. The LOC will begin regular and in-school consolidations when the new Direct Consolidation Loan process becomes operational later in the summer 1996.



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## ANNOUNCEMENTS

**Promissory Note Update.** The promissory notes used for the 1995-96 academic year have an OMB expiration date of 6/30/96. These notes can be used for both 1995-96 and 1996-97 loans *as long as the borrower signs the note by the expiration date*. The Department recently printed new promissory notes with an expiration date of 12/31/98. This new note is almost identical to the old note, and can be used for *either 1995-96 or 1996-97* loans. An order form for the new notes was sent to all schools recently. Schools can also order new promissory notes by calling the Loan Origination Center in Montgomery, Alabama at 1-800-557-7394.

**Training for New Direct Loan Schools.** Training for new Direct Loan schools will be held in New York, New York; Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; and San Francisco, California on March 26-27, March 28-29, April 30-May 1, and May 2-3. The training will provide an overview of the Direct Loan Program including strategies to help school officials implement and administer the program. For more information contact:

Anthony Andrade	(212) 264-8012	New York, NY
Laura Hall	(404) 730-2012	Atlanta, GA
Mary Barton	(312) 886-6660	Chicago, IL
Sue Goldman	(214) 767-9607	Dallas, TX
Patricia Walker	(415) 437-8843	San Francisco, CA

**Technical Assistance Workshop for Historically Black Colleges and Universities (HBCUs).** The Department of Education will hold three technical assistance workshops for HBCUs on May 14-15 in Atlanta, Georgia; on May 23-24 in Dallas, Texas; and on June 4-5 in Washington, D.C. The training will include electronic processing for all Title IV programs and managing the Direct Loan Program. Letters and application packets will be mailed to schools in early April. For additional information contact the Direct Loan Task Force on (202) 708-9951.

**EDExpress Training.** EDExpress Training for Direct Loan Schools will be held in New York, New York; Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; and San Francisco, California on March 25 and April 29. The training will include an overview of Electronic Data Exchange and hands-on EDExpress training. For more information, contact your training specialist at the numbers listed in the first column on this page.

### ABOUT OUR NEWSLETTER

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